



IDAHO WATER RESOURCE BOARD

L. "Butch" Otter
Governor

MINUTES OF MEETING NO. 01-08

Jerry R. Rigby
Chairman
Rexburg
At Large

Idaho Department of Water Resources
Idaho Water Center, Boise Idaho
January 25, 2008

Terry T. Uhling
Vice Chairman
Boise
District 2

Chairman Rigby called meeting 01-08 to order at 8:30 a.m. and requested roll call.

Agenda Item No. 1, Roll Call

Bob Graham
Secretary
Bonners Ferry
At Large

Board Members

**Charles "Chuck"
Cuddy**
Orofino
District 1

Jerry Rigby, Chairman
Vic Armacost, absent
Claude Storer
Bob Graham, absent

Leonard Beck
Gary Chamberlain
Chuck Cuddy
Terry Uhling,

Staff Members and Guests Attending

Leonard Beck
Burley
District 3

Hal Anderson, Administrator
Patsy McGourty, Admin. Asst. II
Bill Quinn, Staff Engineer

Brian Patton, Bureau Chief
Bob McLaughlin, PIO

L. Claude Storer
Idaho Falls
District 4

Guests

**Gary M.
Chamberlain**
Challis
At Large

Dave Blew, Idaho Power
Jon Boling, Idaho Power
Shelley Davis, Barker, Rosholt
Pat McCoy, Capitol Press
Dennis Heaps, Black Canyon Irr.
Dr. Christian Petrich
Steve Howser, Aberdeen-Springfield Canal Co.
Albert Lockwood, North Side Canal Company

Harriet Hensley, Deputy Attorney General
Peter Anderson, Trout Unlimited
Jonathan Bartsch, CDR Associates
Don Wembley, BSU Radio
Gerry Gregg, USBR
Chris Meyer

**Lawrence "Vic"
Armacost**
New Meadows
At Large

Agenda Item No. 2, Agenda and Approval of Minutes

Mr. Anderson noted that a copy of the minutes from meeting 12-07 were in the Board folders. Corrections had been made to page 5.

Mr. Chamberlain moved that the minutes be approved as corrected. Mr. Cuddy seconded. The Chairman called for a voice vote and all were in favor. Motion passed.

Agenda Item No. 3, Public Comment

There was no public comment.

Agenda Item No. 4, Dworshak Status Report

Mr. Patton presented the Dworshak status report. He noted that since coming on line the hydropower project had provided 152,061,141 kWh of power sold to the Bonneville Power Administration. On January 1 the energy sales rate increased to \$0.0492 per kWh. To date during this fiscal year the power plant produced \$106,075.00 income over and above expenses deposited into the Revolving Development Account with \$50,000 deposited into the Repair/Replacement Account. Mr. Patton offered a monthly breakout of income and expenses and a chart of monthly power generation in graph form. Mr. Patton informed the committee that the large generator is intermittently tripping on and off which will eventually affect the output. It should be repaired by next week. This down time will result in a loss of revenue for January.

Agenda Item No. 5, IWRB Financial Program

a. Status Report

Mr. Patton presented the financial report. As of January 1, 2008 \$3.1 million of Board funds are available for projects. About \$15.7 million are committed to loans approved and there is just under \$10 million in loan principle outstanding. Mr. Patton noted that a new subaccount for water transactions will need to be created for Bonneville Power Administration monies coming in for the water transaction program. These funds need to be accounted for separately since they are federal monies. There is more than enough money to meet the loan request presented today. The Twin Lakes Canal Company Winder Lateral pipeline project is underway near Preston. The Boise Rental Pool has provided \$2,645.73 in funds for 2007. Balance sheets for all accounts were available in the Board materials. Mr. Patton answered Board members' questions about the various accounts.

Mr. Beck asked why funds were committed but not dispersed. Mr. Patton said those were funds that have been earmarked or committed but have not yet been used. For example, all CREP funds have not been dispersed.

b. Annual Report

Mr. Anderson noted that the Annual Report presented in the Board folder is prepared for the Governor and is also used by the Board's bonding trustees for auditing purposes. He asked for Board members comments.

Mr. Chamberlain moved that the Annual Report be approved for sending to the Governor. Mr. Storer seconded. The Chairman asked for a voice vote. All were in favor. Motion passed.

c. Cub River Irrigation

Mr. Patton stated that the Cub River Irrigation Company serves lands in both Idaho and Utah. In 2006 and 2007 they constructed a pressurized pipeline system in Idaho with funds from both states. They are proposing to construct another project in Utah and they will be requesting funds from the Board. This project also benefits users in Idaho. The Board has the authority to approve funds for projects located in other states as long as Idaho benefits. Board members asked several questions about Board authorities and benefits of the project being proportionate to the funds spent. Mr. Patton noted that Idaho has an agreement with the State of Utah.

Chairman Rigby asked Board members if they supported this effort although the Board was not voting on a resolution today. Board members did not express any objections.

d. Lindsey Lateral Water Users Association

Mr. Patton stated that Lindsey Lateral is requesting a grant and a loan for a closed pipeline system for a residential system. In 2004 the Board gave a grant and a loan to the association for preliminary engineering and feasibility studies. Now they are requesting additional grant and loan monies for engineering and design to continue the project. Mr. Lynn Tominaga, the president of the association, addressed the Board. Mr. Tominaga stated that the design is done and a \$1.7 million dollar loan from Department of Environmental Quality has been secured and a grant of \$50,000 from the Bureau of Reclamation. However, the city council did not support the creation of a local improvement district for the project because 60 residents complained that they could not afford it. About 60-70% of the residents would like to do the project but they need a more accurate cost estimate. Residents do not want to make the commitment without the actual design. Board members asked questions of Mr. Tominaga. There was discussion about the low-income residents and how that problem would be addressed.

Mr. Tominaga stated that he was lobbying to change state laws about local improvement districts to deal with this situation. Since this project does not involve public health and safety, he felt the law should be changed to accommodate other needs for neighborhoods. The Board further discussed the project design and how future residents would be able to use this system. Mr. Tominaga also explained the conservation aspects of the proposed design.

Mr. Chamberlain moved that a loan of \$15,000, without a grant, at an interest rate of 5.5% for ten years be approved for the Lindsey Lateral Water Users Association. Mr. Beck seconded. The chairman called for a roll call vote.

Roll call vote:

Mr. Cuddy, aye; Mr. Armacost, aye; Mr. Storer, aye; Mr. Beck, aye; Mr. Chamberlain, aye; Mr. Graham, absent; Mr. Uhling, aye; Chairman Rigby, aye. Motion passed. 7 ayes, 1 absent.

e. W-Canal Update

Mr. Bill Quinn, Recharge Coordinator for the department, addressed the Board. The consultants have submitted the draft design. Since November a geo-chemistry study has been completed on mixing the water. A topographic survey has been performed to have the water flow properly. Access to the site is inadequate and a proposed canal crossing may be needed. A water quality data base is being compiled as a baseline for future testing. Well construction should start in February weather permitting. The pilot scale water treatment process is included in the proposed design. Staff are working closely with the Department of Environmental Quality. The project is on schedule and the budget is in good shape. Mr. Quinn and Mr. Patton answered Board members' questions. There was general discussion about recharge efforts.

f. CREP Update

Mr. Neeley Miller presented the CREP update to the Board. As of January 1, 2008, 20788 acres have been approved by FSA and IDWR. Department staff have approved 354 offers for 45,000 acres. Some contract offers were returned and some were judged ineligible. A new deadline of March 15, 2008 has been set by the Farm Bill extension. Mr. Miller discussed the time delay in getting contracts approved by the Farm Service Agency. Some farmers may be holding up until they can determine their best economic decision. Mr. Miller answered Board members' questions. The total projection is around 40,000 to 50,000 acres into the program. There was discussion about the application process and the delays involved.

g. Black Canyon Exchange Project

Mr. Patton presented the Black Canyon Exchange Project that would provide the Board with 2800 acre feet of water that could be used for various purposes. The Board would pay Black Canyon \$100,000 for canal improvements. Black Canyon would provide 2800 acre feet into the rental pool for 8 out of 10 years. The Board could then deliver this water to the Bureau of Reclamation at the Snake River allowing the Board to use 2800 acre feet of Bureau of Reclamation's salmon flow water through an exchange agreement from the Upper Snake. Exchanges for salmon flow augmentation could also occur on the Boise and Payette systems. A resolution authorizing the expenditure was provided to the Board. Mr. Lynn Heaps from Black Canyon Irrigation was present for questions.

Mr. Beck made a motion to approve the Black Canyon Exchange Project resolution and Mr. Armacost seconded. The Chairman called for a roll call vote.

Roll call vote:

Mr. Cuddy, aye; Mr. Armacost, aye; Mr. Storer, aye; Mr. Beck, aye; Mr. Chamberlain, aye; Mr. Graham, absent; Mr. Uhling, aye; Chairman Rigby, aye. Motion passed. 7 ayes, 1 absent.

h. Recharge Annual Report

Mr. Anderson stated that this is a new report from the Planning staff and both Mr. Quinn and Mr. Patton would answer Board questions. Mr. Quinn explained that the report would disseminate important information to the Board, Legislature and the public. Mr. Armacost asked about other recharge sites and if the Board should be making a larger effort. Mr. Quinn responded that staff had discussed other sites for investigation and there have been private investigations of other recharge sites. There is no schedule for that within the department. Mr. Armacost asked if any effort was being made to keep track of private efforts for recharge. Mr. Quinn responded that at times it is difficult to get that information. Mr. Patton added that where projects are official, permitted projects, they are included in the report. Mr. Uhling asked for a summary table of all recharge sites with information about each one so Board members could see at a glance what is being done. Mr. Quinn noted that since this is the first report for recharge, some guidelines about what goes into it need to be given to staff.

Chairman Rigby called for a short break.

Agenda Item No. 6, Planning Activities

a. ESPA CAMP Draft Progress Report for Presentation to the Legislature

Mr. Anderson introduced Jonathan Bartsch from CDR Associates who presented the draft Progress Report from the Advisory Committee based on activities since May, 2007. Mr. Bartsch walked Board members through the sections of the report including formation of the committee, sub-committees, number of meetings, work plan, operating protocols, framework goals and objectives. Mr. Bartsch answered questions from Board members.

Mr. Bartsch stated that Section 2 Key Topics and Issues was a work in progress that includes Management Alternatives, The Model, Previous Settlement Efforts, Funding and Quantitative Goals. He discussed efforts to change the water budget and what the effects would be. The Advisory Committee has discussed and agreed to pursue an incremental approach to measuring changes in the water budget for the short term to get started now. This will develop a process for future efforts.

Chairman Rigby invited Advisory Committee members present to address the Board after Mr. Bartsch's report.

Mr. Bartsch discussed Section 3 Recharge, CREP, Targeted Demand Reduction and the Groundwater Model. Mr. Armacost asked if the groundwater model is more widely accepted after all this discussion. Mr. Bartsch responded that in his observations there is not much dissent in using the

model for regional planning efforts. Mr. Chamberlain asked about the North Side Canal Company's recharge effort and exactly how much water made it into the aquifer. Mr. Anderson responded that nearly the entire 26,840 acre-feet minus the spill was actually recharged. Mr. Beck thought it would be beneficial to find out what areas are benefited by that recharge. Mr. Uhling said that should be part of the Recharge Annual Report. Mr. Anderson said staff would obtain that information.

Mr. Quinn stated that staff had just received final measurements; however, they have not been totally calculated. Chairman Rigby said the Board would like to have that as soon as possible.

Mr. Bartsch stated Section 4 Progress against Budget was yet to be developed as well as Section 4.1 Technical Studies. Mr. Anderson said that information for these sections will be added to the Progress Report before it is submitted February 1, 2008. Mr. Bartsch stated he would send out the complete draft report before the conference call to get the Board's approval.

Mr. Bartsch discussed Section 5 Public Involvement stating that the Advisory Committee members are responsible for dispensing information to their constituencies. All meetings are open to the public and future public meetings will be held. Documents are also available on the website. There are many opportunities for public participation.

Mr. Bartsch stated that Section 6 Proposed ESPA Advisory Committee 2008 Work Plan and Initial Recommendations include Proposed Process for Determining Quantitative Goals, Development of Strategies, Establishing Adaptive Management and Implementation Strategy. Mr. Bartsch presented initial CAMP recommendations which include Study of the Minidoka Dam Enlargement, Buyouts in the ESPA and funding for ESPA recharge efforts. Chairman Rigby noted that these are recommendations to the Board and it is the Board who will recommend to the Legislature. He suggested changing the wording in the report to clarify. Mr. Bartsch acknowledged that not everything that is recommended to the Board in the progress report or the final report is expected to be recommended by the Board. Mr. Anderson agreed that the sentence needed rewritten. Mr. Bartsch agreed that the intent is clear and the sentence would be rewritten.

Mr. Uhling asked if there should be a section outlining the authorization from the Legislature to provide this report. Members agreed that was needed.

Chairman Rigby asked for discussion about the initial recommendations. Mr. Bartsch noted that the recommendation for Minidoka Dam Enlargement is an immediate need for a feasibility analysis because of Bureau of Reclamation reconstruction efforts taking place soon. The request for money from the Legislature is for this study. Additional funds would need to be allocated for design and construction. Board members discussed this recommendation. Mr. Anderson stated that staff had just met with the Bureau of Reclamation and the state money would be used for reclamation staff work by agreement. There was discussion about who should perform the study. Mr. Anderson stated that staff would continue to work with the bureau to iron out details. Mr. Uhling expressed urgency in this matter not to lose this opportunity to increase reservoir storage at Minidoka Dam. There will not be another opportunity at this site. Mr. Bartsch acknowledged that the Advisory Committee recognizes this emergency. Mr. Cuddy said the Board would need to critique the feasibility study.

Mr. Storer asked if the dam was raised, what kind of authority the Bureau of Reclamation would have on the increased water. Chairman Rigby stated the bureau would not have the same authority and the present system would be different.

Chairman Rigby said the Board needed to unanimously support this recommendation to get the funding. Mr. Bartsch asked if the Board agreed to pursue this recommendation with the Legislature. Board members did support proceeding with this recommendation to the Legislature.

Mr. Bartsch discussed the option of buyouts in the Eastern Snake Plain Aquifer including a potential augmentation of the CREP Program. The Advisory Committee recommends a \$5 million allocation of funds for that purpose. There was discussion about buyout options. Mr. Uhling suggested changing the title to Voluntary Demand Reductions to cover the different options included. Chairman Rigby asked for Board objections and there were none.

The third recommendation was for recharge efforts and the request for funding needs was \$1 million. These funds would be used for supporting projects underway for other recharge needs including water rentals.. There was discussion about this issue. Mr. Patton answered questions for Board members about funds previously allocated. Board members also supported this recommendation.

Mr. Uhling asked if the Advisory Committee had taken up conservation issues and where did it fall in the process and also dealing with future growth as it relates to conservation. Mr. Bartsch responded that there had been a presentation about this topic to the committee.

Mr. Uhling asked Mr. Bartsch to put the main points of the report into a snapshot for quick reading by the legislators. A short summary is at the front of the document noted Mr. Bartsch; however, it could be added. Mr. Uhling said it is nice for Legislators to have since they review large amounts of material. Chairman Rigby agreed. Mr. Bartsch asked questions about format. There was discussion about the format of the report.

Mr. Beck asked if research issues would be included in the Advisory Committee recommendations. Mr. Uhling noted that there is lots of research going on in the United States and globally. Mr. Bartsch said he would suggest that topic for discussion to the Advisory Committee.

Mr. Bartsch noted that the final version would be sent to members by Wednesday next week January 30th before the conference call on February 1 at 11:00 a.m. Board members discussed the conference call.

Chairman Rigby asked any Advisory Committee members present to address the Board.

Mr. Steve Howser, Manager of the Aberdeen-Springfield Canal Company, spoke to the Board about his experience on the Advisory Committee. He stated that the committee's biggest challenge is staying on task. He addressed the subject of recharge and told the Board that when they first started they talked about recharging over 400,000 acre feet of water. The possibility is still there but the question is whose water will be used. The Board's water is about 40-50,000 acre-feet of water. The potential is there but actually accomplishing it is another question. Sources need to be found in good

water years. He stated the CAMP process seems to be looking for solutions to fix the aquifer, while others do not feel it is broken. The goal of CAMP is to develop a management plan of the supply and demand of the aquifer. Mr. Howser answered Board member's questions. He also complimented Mr. Bartsch on his leadership with the committee.

Mr. Tim Deeg, President of the Idaho Groundwater Appropriators, told the Board he appreciated the opportunity to serve on the Advisory Committee. He stated the Advisory Committee has a huge job ahead. Many members are constantly looking at conservation and the future. He also complimented Mr. Bartsch on his performance.

Mr. Albert Lockwood, North Side Canal Company and Committee of Nine member, stated that the funding issue will be the biggest issue for the CAMP process. He suggested purchasing high lift water for recharge and mitigation for the surface water users. Overall, he thought the process was going well. He, too, complimented CDR Associates on the fine job they are doing.

b. State Water Plan Update

Mr. Anderson stated that the Board's State Water Plan Sub-Committee is meeting and revising the last plan from 1996. The committee is changing the format of the State Water Plan that will include policy statement, discussions, implementation strategies and recommendations. Each policy is being reviewed and put in the new format.

Gary Chamberlain, Chairman of the Sub-Committee, stated that the meeting schedule has been vigorous to accomplish as much as possible before spring. By the end of March, meetings will slow down due to other demands on Board members. There is good attendance by various public groups at the meetings and public comments have been received.

c. River Planning Coordination

Mr. Anderson presented a memo to the Board in their folder that explained meetings with federal agencies to coordinate planning efforts for the future with the Bureau of Land Management and the Forest Service. Staff are on top of this process and involved in meetings. Mr. Anderson answered Board members' questions.

Agenda Item No. 7, Lime Point

Mr. Anderson stated that after the last meeting's discussion of Lime Point, staff were directed to do some more research. Dr. Christian Petrich and Mr. Chris Meyer were both present to summarize their findings.

Dr. Petrich discussed the establishment of the Lime Point minimum stream flow and its history. The minimum flow has not been met for many days during several years. The flow of the Snake River at this point is affected by the amount of water released below Hell's Canyon Dam and the flows coming from tributaries, the Salmon River and the Imnaha River in Oregon. The Army Corps of Engineers is now recommending new minimum flows. Dr. Petrich discussed his studies of

the inflows and minimum stream flows. He asked the Board to clarify the 3-8 water right and offered several options that the Board might consider.

Mr. Meyer of the Givens, Pursley law firm thanked the Board for the opportunity to speak. He discussed the memo he had written outlining the history of the 3-8 water right. Mr. Meyer stated that the minimum flows imposed on the Snake River dating back to 1944 were to accommodate a mine owner who needed to ship ore to the port at Lewiston. That is why the flows were set and this minimum stream flow has been included in all State Water Plans and the FERC Agreements for the Hells Canyon Dam Licensing. Since the mine was never developed, he questioned why it was included in State Water Plans all those years. The State Water Plan has always referred to the Lime Point minimum flow as a requirement in Article 43. Today water right users are asking why this water right is not administered like others.

Mr. Meyer stated the original purpose of this instream flow is no longer valid and the flows now serve recreational purposes. The last two State Water Plans have stated that this minimum flow is subject to a review when the FERC relicensing of Hells Canyon occurs that is happening today. The Board needs to clarify this water right and Mr. Meyer suggested several options: 1) clarify the existing water right by conditioning; 2) subordination; 3) quantity reduction; and 4) relinquishment of the water right itself. Mr. Meyer answered Board members' questions. There was general discussion about the options and the consequences of each. Mr. Meyer further discussed the peculiarities of this water right that are not comparable with other water rights.

Board members questioned the connection between this water right and the FERC relicensing project. Ms. Harriet Hensley, Deputy Attorney General, stated that the Board's comments so far in the FERC process have been that any water rights must be consistent with the State Water Plan. The Board has not taken a position on the water right constraints. Mr. Chamberlain expressed concern about Salmon River water being taken in the future. Mr. Uhling thanked Dr. Petrich and Mr. Meyer for their analysis. He added that this was set up as a minimum stream flow for a beneficial use. Mr. Uhling says that the beneficial use never occurred and he would like to know how this related to the Hell's Canyon Complex. Chairman Rigby stated that the only issue that has come out is that recreational use has come to rely upon this stream flow. Future growth could be restricted with a change. He questioned who else benefitted from this minimum flow.

Mr. Meyer noted that the constraints in Article 43 will remain in place no matter what the Board chooses to do. The reality of the situation is that the department has never enforced these requirements. He stated no one in the department knew about their existence. Most of the debate is with the Federal entities involved and that is where he thought it should be.

Dr. Petrich stated two points: The Board should make this flow consistent with other minimum stream flows to eliminate constraint. The Board should acknowledge that interest in enlarging recreation flows is growing. He asked what is the state willing to do to increase flows below Hells Canyon separate from the Idaho Power Agreement.

Ms. Hensley offered to put together the positions of all the players in the hydro power relicensing process for the Board. Mr. Uhling said state legal guidance is needed to consider all options for the Board. More input is needed before the Board discusses options.

Agenda Item No. 8, Other Items Board Members May Wish to Address

Mr. Anderson stated that the Board needed to create a meeting schedule for the remainder of 2008. More lead time is needed to obtain facilities and services. The next meeting is March 13 and 14th in Boise. The Board set the May meeting in Boise on the 8th and 9th; the July meeting on the 17th and 18th in Coeur d'Alene; the September meeting in Eastern Idaho on the 11th and 12th; and the November meeting in Boise on the 20th and 21st.

Agenda Item No. 9, Next Meeting and Adjournment

Mr. Beck expressed concern about Legislators' comments in the Resource Committee meeting the day before regarding storage. Mr. Beck questioned whether the department was in good shape with funding since he had heard that litigation was creating extra costs. Mr. Anderson responded that Chairman Rigby was trying to communicate at the meeting about the staffing problem; that, is, non-competitive salaries, and where the department is compared to other agencies and the private sector. Senator Cameron was discussing making monies available for department and Board programs. There was some confusion. Mr. Beck asked if department funds were being spent for other requests that were taking away from programs and Mr. Anderson said no. Chairman Rigby stated that he had e-mailed Senator Cameron to explain his previous point.


Mr. Storer asked if storage should be sought in the Teton Basin. Chairman Rigby said that issue has been before the citizens there for a long time. There are a lot of hurdles, but something probably will be done. Chairman Rigby complimented Director Dave Tuthill on his efforts behind storage. Mr. Beck said the issues are presented, but more is heard about the roadblocks. Who is going to work on those? Mr. Storer said it would take a big study to accomplish storage in those areas. Mr. Anderson stated the director would get information to the Board as soon as he could.

Mr. Armacost asked that on the next meeting agenda there be an explanation of what will be accomplished with the \$20 million planning funds for the aquifers.

Mr. Chamberlain stated that the Legislature looks to the Board for ideas to accomplish the goals for the state.

Mr. Cuddy moved that the meeting be adjourned. Mr. Chamberlain seconded. All were in favor.

Dated this 25th day of Jan., 2008.


Secretary


Patsy McGourty, Administrative Assistant II

Board Actions:

1. Mr. Chamberlain moved that the minutes from meeting 12-07 be approved as corrected. Mr. Cuddy seconded. The Chairman called for a voice vote and all were in favor. Motion passed.
2. Mr. Chamberlain moved that the Annual Report be approved for sending to the Governor. Mr. Storer seconded. The Chairman asked for a voice vote. All were in favor. Motion passed.
3. Mr. Chamberlain moved that a loan of \$15,000, without a grant, at an interest rate of 5.5% for ten years be approved for the Lindsey Lateral Water Users Association. Mr. Beck seconded. The chairman called for a roll call vote.

Roll call vote:

Mr. Cuddy, aye; Mr. Armacost, aye; Mr. Storer, aye; Mr. Beck, aye; Mr. Chamberlain, aye; Mr. Graham, absent; Mr. Uhling, aye; Chairman Rigby, aye. Motion passed. 7 ayes, 1 absent.

4. Mr. Beck made a motion to approve the Black Canyon Exchange Project resolution and Mr. Armacost seconded. The Chairman called for a roll call vote.

Roll call vote:

Mr. Cuddy, aye; Mr. Armacost, aye; Mr. Storer, aye; Mr. Beck, aye; Mr. Chamberlain, aye; Mr. Graham, absent; Mr. Uhling, aye; Chairman Rigby, aye. Motion passed. 7 ayes, 1 absent.